

BUSINESS PLAN

RT Ryan Company DBA Starchy's Cleaners

Carmelle Cabus, Owner

Created on March 13, 2013

1. EXECUTIVE SUMMARY

1.1 Product

Dry Cleaning and laundry service for retail customers

1.2 Customers

Residential customers in selected carrier routes and demographics

1.3 What Drives Us

We project an income of \$12,994.00 the first 90 days with an increase of 30% months 4-6 and 35% months 5-12.

We also project 2 additional stores to open by year end 2013

2. COMPANY DESCRIPTION

2.1 Mission Statement

We are a customer oriented business with our customers at the fore front of our success. Our service and quality is unsurpassed and our survival is solely based on each customer individually and one at a time.

2.2 Principal Members

Carmelle Cabus...Owner..Day to day operations

Robert Tissier...Customer Service and QA manager

2.3 Legal Structure

Currently a sole ownership and planned to incorporate late April 2013 to C Corp

3. MARKET RESEARCH

3.1 Industry

Our industry is simply put, a dry cleaning sub station. This means we are not a cleaner of clothing article, but we collect, process and tagged for plant processing.

In our area of business we have locations that have no services like these available and we are careful to open in areas with household incomes of \$36,000.00.

3.2 Customers

Our customers are a variety of income individuals who have articles of clthing that require dry cleaning or just plain jeans and shirts they like starched and pressed.

3.3 Competitors

In our locations there is no direct competition as this is a business that is more in my area concept.

We all patronize local businee or businesses in our area. So we rely on quality and service to drive our customers no further than they need to.

3.4 Competitive Advantage

We are the only one in the area now and this a well developed area. Our plant and contract with Brad Pharr is is the ultimate quality we strive to obtain. We have that with our plant.

3.5 Regulations

We are not required to meet any EPA regulations as we are a drop station only and carry no chemicals or products on the premises.

4. PRODUCT/SERVICE LINE

4.1 Product or Service

Dry cleaning and laundry processing for plant cleaning.

4.2 Pricing Structure

In line with other prices at same type of locations

4.3 Product/Service Life Cycle

Winter and summer both. With summer sales dropping by 15% estimated.

4.4 Intellectual Property Rights

Starchy's Cleaners and logo to follow.

4.5 Research & Development

Demographics impact, Rural routing for postal zones, driving the area, and studied the market area within 5 miles of our location. we show new housing development within 5 miles with home prices from \$175,000 to \$400's

5. MARKETING & SALES

5.1 Growth Strategy

The plan is to stay focused on two aspects of any business. First quality and second customer service. Then we combine that with coupons evry 90 days in store for pickupand direct mail.

5.2 Communication

Direct mail and signage. Sending out advertisements

5.3 Prospects

Direct mail, customer service, quality. we offer a product and service then customers seek out the same.

6. FINANCIAL PROJECTIONS

6.1 PROFIT & LOSS

	Year 1	Year 2	Year 3
Sales	\$115,000	\$175,000	\$209,588
Costs/Goods Sold	\$46,000	\$61,250	\$83,835
GROSS PROFIT	\$69,000	\$113,750	\$125,753

OPERATING EXPENSES

Salary (Office & Overhead)	\$25,000	\$25,000	\$30,000
Payroll (taxes, etc.)	\$725	\$725	\$725
Outside Services			
Supplies (office & operation)	\$3,000	\$3,500	\$4,000
Repairs & Maintenance	\$50	\$50	\$50
Advertising	\$2,500	\$1,000	\$2,000
Car, delivery & travel	\$0	\$0	\$0
Accounting & legal	\$0	\$0	\$0
Rent	\$1,000	\$1,000	\$1,030
Telephone	\$720	\$720	\$720
Utilities	\$2,400	\$2,400	\$2,400
Insurance	\$1,200	\$1,200	\$1,200
Taxes (real estate, etc.)	\$0	\$0	\$0
Interest	\$0	\$0	\$0
Depreciation	\$0	\$0	\$0
Other expenses	\$0	\$0	\$0
TOTAL EXPENSES	\$36,595	\$35,595	\$42,125

NET PROFIT (before taxes)

Income Taxes			
NET PROFIT (after tax)	\$32,405	\$78,155	\$83,628

Owner Draw/Dividends			
ADJUSTED TO RETAINED	\$32,405	\$78,155	\$83,628

6.2 CASH FLOW (04/15/2013 to 04/14/2014)

	Pre Startup EST	Year 1	Year 2	Year 3	Total Item EST
Cash on hand	\$5,000	\$50,280	\$133,710	\$219,063	\$408,053
CASH RECEIPTS					
Cash Sales	\$115,000	\$175,000	\$202,588		\$492,588
Collections from CR Accounts	\$0	\$0	\$0	\$0	\$0
Loan/Cash Injection	\$10,000	\$10,000			\$20,000
TOTAL CASH RECEIPTS	\$125,000	\$185,000	\$202,588	\$0	\$512,588
TOTAL CASH AVAILABLE (before cash out)	\$130,000	\$235,280	\$336,298	\$219,063	\$920,641
CASH PAID OUT					
Purchases					\$0
Gross Wages	\$20,800	\$20,800	\$30,000		\$71,600
Outside Services	\$46,000	\$70,000	\$81,035		\$197,035
Supplies	\$250	\$250	\$250	\$250	\$1,000
Repairs & Maintenance					\$0
Advertising	\$2,500	\$1,000	\$0	\$0	\$3,500
Car, delivery & travel					\$0
Accounting & legal					\$0
Rent	\$1,000	\$1,000	\$1,030	\$1,030	\$4,060
Telephone	\$720	\$720	\$720	\$720	\$2,880
Utilities	\$3,000	\$3,000	\$3,000	\$3,000	\$12,000
Insurance	\$1,200	\$1,200	\$1,200	\$1,200	\$4,800
Taxes (real estate, etc.)					\$0
Interest					\$0
Other expenses					\$0
SUBTOTAL	\$75,470	\$97,970	\$117,235	\$6,200	\$296,875
Loan principal payment	\$3,600	\$3,600	\$0	\$0	\$7,200
Capital purchase	\$0	\$0	\$0	\$0	\$0
Other startup costs	\$650	\$0	\$0	\$0	\$650
Reserve and/or Escrow	\$0				\$0
Others withdrawal					\$0
TOTAL CASH PAID OUT	\$79,720	\$101,570	\$117,235	\$6,200	\$304,725
CASH POSITION	\$50,280	\$133,710	\$219,063	\$212,863	\$615,916

6.4 BREAK EVEN ANALYSIS

DIRECT COSTS	Fixed Costs (\$)	Variable Costs (%)
Cost of Goods Sold	\$46,000	33%
Inventory	\$0	0%
Raw Materials	\$0	0%
Direct Labor	\$25,000	22%

INDIRECT COSTS

Salaries	\$20,800	10%
Supplies	\$250	2%
Repairs & Maintenance	\$0	
Advertising	\$1,200	1%
Car, delivery & travel		
Rent	\$1,000	9%
Telephone	\$60	1%
Utilities	\$1,200	1%
Insurance	\$135	1%
Taxes		
Interest		
Depreciation		
Other Costs		
TOTAL DIRECT COSTS	\$71,000	55%
TOTAL INDIRECT COSTS	\$24,645	25%

BREAKEVEN SALES LEVEL: \$478,225

6.5 FINANCIAL ASSUMPTIONS

6.5.1 Assumptions for Profit and Loss Projections

Our assumptions are from a proven formula of 2% return of direct mail with an average ticket of \$26.00

Fixed cost are already included in these numbers and variable cost will settle in the bottom line.

Due to size of the location we are limited to a 35% increase for both years

6.5.2 Assumptions for Cash Flow Analysis

Known expenses and 35% increase of direct sales average and market